

110TH CONGRESS  
1ST SESSION

# H. R. 823

To authorize Federal agencies and legislative branch offices to purchase greenhouse gas offsets and renewable energy credits, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2007

Mr. WELCH of Vermont introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on House Administration and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To authorize Federal agencies and legislative branch offices to purchase greenhouse gas offsets and renewable energy credits, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. AUTHORIZATION TO PURCHASE OFFSETS AND**  
4 **CREDITS.**

5 (a) FEDERAL AUTHORITIES.—Subject to the require-  
6 ments of this Act, each executive agency (as defined in  
7 section 105 of title V of the United States Code) and each  
8 legislative branch office is authorized to use appropriated

1 funds to purchase either or both of the following in any  
2 open market transaction, that complies with all applicable  
3 procurement rules and regulations and is approved in ac-  
4 cordance with subsection (c):

5 (1) Qualified tradeable greenhouse gas offsets.

6 (2) Qualified tradeable renewable energy cred-  
7 its.

8 (b) QUALIFICATION OF OFFSETS AND CREDITS.—A  
9 tradeable greenhouse gas offset or renewable energy credit  
10 shall be treated as qualified for purposes of this section  
11 if the Secretary of Energy certifies the generator of such  
12 offset or credit. Upon the application of any person gener-  
13 ating or planning to generate any such offsets or credits,  
14 the Secretary shall certify the generator if the Secretary  
15 determines that the generator meets, or will, upon imple-  
16 mentation, meet, such requirements as the Secretary  
17 deems necessary, under rules promulgated by the Sec-  
18 retary, to ensure that the offsets or credits generated will  
19 represent the reduction of greenhouse gases as specified  
20 or estimated in the offset (in the case of an offset) or in  
21 the generation of the amount of renewable energy which  
22 the credit represents or is estimated to represent (in the  
23 case of a credit). A reduction in greenhouse gases that  
24 the Secretary determines would have occurred in the ab-  
25 sence of the opportunity to sell an offset for such reduc-

tion shall not be treated as a qualified offset for purposes of this Act.

(c) APPROVAL OF OPEN MARKET TRANSACTIONS.—

The Secretary of Energy shall promulgate rules, after notice and opportunity for comment, regarding the open market transactions (involving qualified tradeable greenhouse gas offsets and qualified tradeable renewable energy credits) that will be treated as approved for purposes of this Act. Such rules shall accommodate forward purchasing and crediting of offsets and credits on an estimated basis from small scale offset and renewable energy generators, and other open market transactions that are useful in enabling short-term purchases of greenhouse gas offsets and renewable energy credits to contribute meaningfully to the implementation of small scale offset and renewable energy generators.

(d) DEFINITIONS.—For purposes of this Act:

(1) GREENHOUSE GAS OFFSET.—The term “greenhouse gas offset” means the reduction in emissions of greenhouse gases that results from an action or actions undertaken for the purpose, among others, of reducing greenhouse gas emissions (including the generation of renewable energy), where:

(A) such action or actions would not have occurred in the absence of the opportunity to sell an offset for

1 the resulting reductions; (B) the party claiming  
2 credit for the reductions has acquired the exclusive  
3 legal rights to claim credit for the reductions; and  
4 (C) such exclusive legal rights can be verified and  
5 approved by the Secretary through an auditable con-  
6 tract path or other system established by the Sec-  
7 retary.

8 (2) GREENHOUSE GAS.—The term “greenhouse  
9 gas” includes carbon dioxide, methane, nitrous  
10 oxide, and fluorinated gases.

11 (3) RENEWABLE ENERGY CREDIT.—The term  
12 “renewable energy credit” means all of the environ-  
13 mental attributes associated with a single unit of en-  
14 ergy generated by a renewable energy source where:  
15 (A) those attributes are transferred or recorded sep-  
16 arately from that unit of energy; (B) the party  
17 claiming ownership of the credit has acquired the ex-  
18 clusive legal ownership of all, and not less than all,  
19 the environmental attributes associated with that  
20 unit of energy; and (C) exclusive legal ownership of  
21 the credit can be verified and approved by the Sec-  
22 retary through an auditable contract path or other  
23 system established by the Secretary.

24 (4) RENEWABLE ENERGY.—The term “renew-  
25 able energy” means electric energy generated from

1 solar, wind, biomass, landfill gas, ocean (including  
2 tidal, wave, current, and thermal), geothermal, mu-  
3 nicipal solid waste, or new hydroelectric generation  
4 capacity achieved from increased efficiency or addi-  
5 tions of new capacity at an existing hydroelectric  
6 project.

7 (5) TRADEABLE.—The term “tradeable” when  
8 used in connection with an offset or credit means  
9 that the offset or credit is available for purchase and  
10 sale in an open and transparent market.

11 (e) EFFECTIVE DATE.—The authority of section 1  
12 shall take effect for fiscal years after the enactment of  
13 this Act.

○